
Freedom and the Hotel: The Lessons of the St. Nicholas and Statler

BY DANIEL HAGER

Imagine you were a commercial traveler of a century ago. Life would consist of endless hardships, wouldn't it? Primitive transportation, primitive lodgings, primitive food service. A grungy daily grind, to be sure.

But that picture is inaccurate. The hotel industry was in the midst of a transformation whose legacy is still evident today. This progress was a classic case of free-market responses to perceived economic opportunities.

It was occurring during the so-called Progressive Era, which ostensibly embodied the belief that governments must clamp down hard on business to prevent it from damaging "society." Today that dogma is widely taught and accepted. A brief view of hotelkeeping in the early 1900s can serve as an antidote to contemporary misrepresentations.

The pages of a trade magazine, *The Hotel Monthly*, depict vividly the industry's fast-changing nature. Editor John Willy acknowledged in "A Tribute to the Traveling Man" (April 1906) that this life did indeed entail hardships. He wrote, "We see him waiting in dingy, dirty, uncomfortable depots for trains that are hours late . . ." Part of the problem was the coal-fired steam locomotive, which by its nature belched smoke even in the confines of large depots. Soot was a fact of travel life at that time. And without the availability yet of self-operated vehicles, travelers had to adapt to schedules directed by others, just as "mass transit" forces that inefficiency on users today.

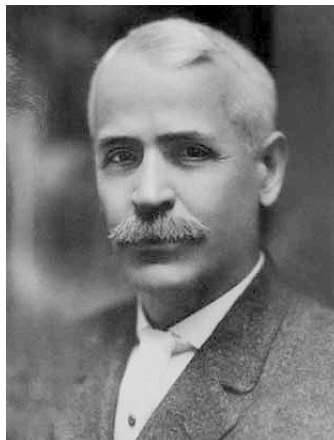
The railroads, by supplanting the rudimentary land-transportation system of stagecoaches and wagons and

often impassable roads, fostered the mass distribution of goods throughout the American hinterland. Trade expanded. New wealth was created. Even in remote villages, residents gained access to merchandise formerly enjoyed only in urban centers.

On the front lines of this development were the ubiquitous commercial travelers, the derby-hatted "drummers," as they were colloquially called. They fanned out across the railroad network lugging their huge trunks full of sample wares to show local merchants and manufacturers. To accommodate them, hotels sprang up in the decades after the War Between the States, even in towns as small as two thousand. The hotels featured "sample rooms," where drummers could set up expansive displays of their goods.

In the early days their living accommodations were not much improved from the 1830s, when "in the leading hotel in New York . . . slops from the rooms were carried to the street and emptied in the open gutters" (John J. Bohn, quoted September 1905). The guest washed from a bowl of water poured from a pitcher. For other functions there was either a chamber pot under the bed or a privy out back. The bed itself might be little more comfortable than the board floor.

Although many city hotels in the 1870s and 1880s offered improved services—such as the McLure House in Wheeling, W.Va., a prosperous river port and railroad



E.M. Statler

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center—the bathless “average country hotel” of the ’80s still had “its toilet room in the back yard” and provided “cheerless rooms and husk mattresses infested with *Cimex lectularius*” (Henry J. Bohn, quoted November 1909).

Competition prodded many hotelkeepers to upgrade their establishments, but some who held monopolies in their small towns were unresponsive. They paid the price, according to Willy, noting that “where the accommodations are miserable . . . [the traveling man] may kick; and sometimes he does kick; but more often he makes a quiet mental note to give the house of poor accommodations as little of his patronage as he possibly can, and to arrange his route to give as much of his time as he can to the house that studies his comfort” (April 1906).

One feature of improvement in the late 1800s was steam heat. Standard practice previously was an extra charge for a stove fire in the room or out in the hall. Then some hotels began offering free steam heat, Willy wrote, and the laggard landlord “had to either have fires or put in a steam heat plant and furnish free heat, to keep his trade” (February 1907).

In the 1890s, he added, “hot and cold running water in the rooms was seldom found; now, practically all the new houses that are built have this desirable feature as a matter of course” (February 1907).

A Decatur, Illinois, *Review* reporter traced additional developments in an article on that city’s St. Nicholas Hotel. He wrote:

Steam heat came and everybody had warmth. Then it was necessary to go on and get something else. The bath was ordered as an extra. People on the road got to learn that the bath was more than a luxury, that it was something they needed. After a little while they got the bath habit, and once contracted it can never be shaken. There are now many men on the road who would rather pay extra money for a bath than for flourishes on the table. The result now is that at least a third of the guests call for a room with a bath. . . . [T]he best rooms are always sure to go first.”

The change had been remarkable: “Old patrons of the house will call for a room with bath, and if they cannot get one they will even go to some other place and hunt one. Some of the same people fifteen years ago hardly thought it worth while to order a fire” (quoted June 1905).

Electricity was a revolutionary technology for hotelkeepers. Willy titled his report on a visit to Western Electric Company’s 6,000-worker Chicago-area factory “Electricity, the Most Useful Hotel Servant” (August 1908). “Incandescent electric lights are now in universal use,” and “Now nearly every hotel of importance has telephone in every room” (February 1907). Still air was

stirred by electric fans. Down in the kitchen a host of appliances could be plugged in, including the modern mechanical dishwasher.

Willy launched into grandiloquence over the recent advances in lodging facilities: “The great hotelkeepers of America have been characterized as ‘Captains of Creators of Creature Comforts’” (February 1907).

Higher Rates Too

With the added comfort features came higher room rates. Rising prices in other business sectors also led to an apparent “increased cost of living,” Willy noted. Actually, he pointed out, consumers were getting more for their money than ever as “a thousand and one luxuries undreamed of fifty years ago” had become “common and considered necessities: if we could get along with the simple requirements of fifty years ago, the cost of living would be decreased to probably half of what now prevails” (March 1908).

Meanwhile the entrepreneurial spirit was restlessly at work seeking to reduce costs and prices. The era’s chief hotel genius in this regard was Ellsworth Milton Statler (1863–1928), whose life is recounted in an authorized biography by Floyd Miller, *Statler: America’s Extraordinary Hotelman*. E. M. Statler grew up in Bridgeport, Ohio, across the Ohio River from Wheeling. He went to work at 9 years old, feeding a fiery oven in a glass factory, but became captivated by the glitter of the McLure House, where he nagged his way into a bellhop job at 13. At 14

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he was head bellhop, at 16 night manager, at 18 chief clerk as well as lessee of its failing billiard parlor, which he turned into a moneymaker. From his teens he filled notebooks with ideas for implementing later in his own hotels. Already at 15 he understood the route to success under capitalism—serving customers well. A petty staff-stimulated argument led to a miffed guest's departure and prompted the youngster to write in his notebook, "The guest is *always* right."

After success with a massive temporary hotel at the 1904 Louisiana Purchase Exposition in St. Louis, Statler had enough capital for a permanent project. He chose Buffalo, where he still profitably operated a huge restaurant. He designed his 300-room hotel himself applying the best ideas from his notebook. It was the first in history to have a private bath in every room. He vertically stacked his rooms and placed bathrooms in each back to back served by a common shaft running from the bottom floor to the roof. Each shaft contained all needed plumbing and heating pipes and electrical conduits. Behind each bathroom mirror was a maintenance port. That efficiency and others from his fertile mind reduced construction costs so much that Statler developed a slogan that hit competitors like a thunderbolt: "A room and a bath for a dollar and a half." Other hotels with inferior accommodations were charging as much as three dollars a night.

He opened his hotel in January 1908, and the industry was never the same. Willy wrote the next year, "The new commercial hotels are now mostly planned for rooms with private bath" (June 1909). Travelers could

now live as well as at home if not better. The "Statler plumbing shaft" became a standard feature in building construction (*Statler*). Other hotelmen referred to him as "Statler the Startler" and invented a new verb, "to Statlerize."

As he expanded his chain to Cleveland, Detroit, St. Louis, New York, and Boston, Statler's intensive employee-training programs in customer satisfaction raised the standard throughout the industry. A plaque at Cornell University in Ithaca, N.Y., preserves a Statler quotation: "Life is service. The one who progresses is the one who gives his fellow men a little more, a little better service."

The Hotel Monthly provided a sharp contrast after American hotel owner Albert Pick Jr. visited the Soviet Union in 1957. He reported that hotels there were "overpopulated" with inefficient workers who "do not seem to be well trained." Hotel furnishings were typically "rather stark, cold and unattractive; the furniture was heavy." His party stayed at a five-year-old Moscow hotel with rooms furnished in an ornate nineteenth-century style in which "nothing goes with anything else."

Hotels lacked purchasing departments: "Management has no opportunity to negotiate price, quality or delivery date on any of its requirements. Instead, everything needed is requisitioned by the hotel from the state, and apparently the state decides what the hotel shall have." Even in the Moscow hotel, one of the city's best, "so far as the food and service go, it falls far short of what we are accustomed to in the average American commercial hotel" (December 1957).

What more needs to be said?



Buffalo Statler Hotel



The Immorality of Redistribution

BY HAROLD B. JONES, JR.

It has been proposed that government assistance programs like prescription drugs should be provided only to those who earn less than a certain income. The fate of such a policy can be predicted from what has happened to Medicaid. Intended to provide medical care for the poor, Medicaid has become “inheritance protection for the children of well-off seniors.”¹ No retirement plan is complete without a scheme for hiding assets and income in order to qualify for Medicaid. A means test for other benefits will lead to a vast expansion of the “elderlaw” industry and to ever-more ingenious schemes for concealing wealth.

Lord Bolingbroke said that history is philosophy taught by example. The philosophy behind Medicaid and its relatives is “to each according to his need,” and the history of these programs suggests this philosophy is badly flawed. Back when most of the American welfare state was still in the planning stage, Milton Friedman pointed to the nature of this flaw with two parables. The first told about three Robinson Crusoes, one who landed on an isle of plenty and the other two who found their struggle for survival difficult. The second parable was about the chance discovery of a twenty-dollar bill. In both cases, Friedman said, we might applaud the fortunate party if he chose to share his abundance, but in neither case would we be well advised to insist that he do so. “Are we prepared to urge on ourselves or our fellows that any person whose wealth exceeds the average of all persons in the world should immediately dispose of the excess by distributing it equally to all the rest of the world’s inhabitants? . . . [A] universal ‘potlatch’ would make a civilized world impossible.”²

The principle of forcible redistribution, this is to say, does not allow for universal application. Friedman

meant only that human nature being what it is, redistribution schemes never work out as planned. He said they are impractical, but specifically refused to attack the ethical foundation on which they are built. Two centuries earlier, Immanuel Kant had said that, more than merely impractical, any principle that does not allow for universal application is fundamentally immoral. It is time to take another look at Kant and to consider what he would tell legislators who think they can solve social problems by taking the wealth of some and giving it to others.

Kant was born in Prussia in 1724, a year after Adam Smith was born in Scotland. His father was a saddler, and for all his life Kant displayed the commonsense attitudes of a small entrepreneur. His writing is filled with catchphrases he must have picked up at the family dinner table: “Contract no debt for which you cannot give security”; “be thrifty, then, so that you will not become destitute”; “be no man’s lackey”;³ “he who would like to eat bread should contrive a mill.”⁴ Later in his life his best friends were businessmen, and he liked to use expressions he had picked up from them.⁵ He describes one argument as particularly weak by saying it is like a merchant trying to “improve his financial state by adding a few zeroes to his cash balance.”⁶

He received his doctorate in 1755 and was allowed to lecture as “private teacher” (*Privatdozent*), which meant he had no official position but could earn as much as his students were willing to pay. Adam Smith, who had some familiarity with the universities of the time, said

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